

OCT 21 2019

MARK L. HATCHER, CLERK
OF THE BANKRUPTCY COURT

District Court of the United States for the Western District of Washington
Bankruptcy Unit

In re

CAROL L. ENGEN,
Debtor

Carol Lynn McMeel,
Cross-Claimant

STATE OF WASHINGTON, KING COUNTY,
UNITED STATES, INTERNAL REVENUE
SERVICE,

Trustees Ex Maleficio

Chapter 13

No 18-12259-TWD

**CROSS-CLAIM (dkt. no. 72)
SUPPLEMENT:**

PROOF OF CLAIM

Cross-Claimant Carol Lynn McMeel, hereinafter "McMeel," is a party in interest and, in accordance with Fed. R. Bankr. P. 5005(a)(1), files this 11 U.S.C. § 501(a) Proof of Claim pursuant to Fed. R. Bankr. P. 3002(a), a pre and post-petition *equitable claim* as the rightful owner of all goods and chattels held by the alleged DEBTOR's estate, 11 U.S.C. § 541. This claim is not new and exists under non-bankruptcy law in equity, there being no adequate remedy in law. The amount of the claim, unknown at this time, requires the court to order the custodian to account for the value of the estate. This Proof of Claim supplements the Cross-Claim (dkt. no. 72), restated and fully incorporated herein.

I. EXCEPTIONS TO STATUTORY BAR DATE.

11 This Claim may be subject to statutory bar date of August 15, 2018, Fed. R. Bankr. P. 3002(c). McMeel claims exception to said date as follows:

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1 a) McMeel claims she attempted to meet the deadline on August 1, 2018 but was denied this
2 opportunity by DEBTOR's first counsel of record who refused to file her verified claim before
3 the deadline

4 b) McMeel claims both DEBTOR's counsels of record filed a plan that failed to include the
5 DEBTOR's counterclaims against the United States, Internal Revenue Service ("IRS") and King
6 County. This oversight resulted in a defective and incomplete confirmed plan which fails to list
7 all creditors, debtors, assets and accounts receivable, many of which were discovered post-
8 confirmation. The current plan, especially destructive of McMeel's rights, requires extensive
9 modification, if the need for the DEBTOR to remain in bankruptcy still exists after all estate
10 property is brought into court and made of record, Fed. R. Bankr. P. 3002(c)(6)

11 c) Exception is also claimed pursuant to Fed. R. Bankr. P. 3002 (c)(4) as McMeel's claim arises
12 (in part) from the rejection of an executory contract.

13 d) McMeel alleges ownership of a priority lien that secures a claim against the entire bankruptcy
14 estate that is not void due to failure to timely file a proof of claim, Fed. R. Bankr. P. 3002(a).

15 e). Because the record contains no sustained objection to McMeel's claim, it is allowed, 11
16 U.S.C. § 502(A)

17
18 1.2 Upon all of the above, and in the interests of justice, including the Court's duty to hear all
19 claims, Congress has provided the Court may set aside the bar date for this Claim

20 **II. MCMEEL'S RELATIONSHIP TO THE DEBTOR CLARIFIED.**

21
22 2.1 There appears to be confusion on the part of the United States and the Chapter 13 Trustee as
23 to the purpose of the Cross-Claim and McMeel's relationship to the alleged DEBTOR, which was
24 explained in the annexed Verified Claim of Interest ("VCOI") Carol Lynn McMeel and CAROL L
25 ENGEN *are not the same person in the law*. McMeel is a woman, considered a natural person in the law,
26 and inhabitant of the Washington republic whose existence and birthright give her a relationship to the

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1 Constitution of the United States ("Constitution") (We the People) and whose rights are protected
2 thereunder, CAROL L ENGEN is an artificial person and trust which is presumed to be a "U S. citizen"
3 of the District of Columbia. The undisputed VCOI alleges, upon information and belief, that the
4 DEBTOR was created by the United States for multiple self-serving purposes, one of which is that when
5 McMeel *uses* CAROL L ENGEN for any transaction, she is falsely presumed to be a "U S citizen" of
6 diminished capacity who has waived the organic and supreme laws. Nothing could be further from the
7 truth Upon this **Notice and Special Objection** to any false presumptions regarding McMeel's status,
8 any person who knowingly attempts to attach a diminished or any other status to McMeel, is guilty of
9 trespass, an injury of her person and invasion of her rights, "The right of the people to be secure in their
10 persons.." With no testimony or evidence of record disputing McMeel's self-proclaimed status in
11 relation to the DEBTOR and the Constitution and laws made thereunder, is a fact for what it has been
12 sworn to, not what any self-serving wrongdoer falsely presumes it to be.
13

14 **2.2 Should any person, including this Court, dispute McMeel's self proclaimed status, that**
15 **person shall appear in court and show cause which section of the Constitution authorizes a power**
16 **(authority of the people) which could support statutory authority for any person within one of the**
17 **three branches of government *to change or alter the person of the people* which is the pre-existent**
18 **authority to create the Constitution.**
19

20 2.3 With regards to the alleged DEBTOR, Title 11 vaguely defines it as a "person" or
21 "municipality" (11 U.S.C. § 101(13)), there being no articles of incorporation on the record, the
22 DEBTOR is not a municipality The DEBTOR appears to be a corporation since the historical
23 background of bankruptcy in this country reveals it was intended to allow businesses, *not people*, to be
24 rehabilitated in order that they could continue to operate *in commerce* Title 11 indicates that a
25 corporation includes an unincorporated company or *association*, 11 U.S.C. § 101(9)(A)(iv) It is a fact
26 the DEBTOR is not incorporated but it is reasonable to infer that Title 11 classifies it as an
27

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1 unincorporated company created for a "special purpose" by the United States. Legal dictionaries reveal
2 that an "association" is the act of a number of *persons* uniting together for some *special purpose or*
3 *business*, the persons so joining *See 2 1 above* Apparently McMeel and the person of the DEBTOR, a
4 corporation, are presumed to be joined together in association for a *special purpose or business*,
5 hereinafter "the Association "

6 2 4 Therefore, going forward, upon information and belief McMeel will be acting on behalf of
7 the Association in the person of the DEBTOR since the Court, the United States and the Chapter 13
8 Trustee refuse to recognize McMeel in her proper person, a trespass Said act is of necessity and does not
9 operate to prejudice or waive any of McMeel's substantive or other secured rights.

10 **III. IRS STATUTORY TAX LIENS - SUBSTANCE OVER FORM.**

11 3.1 The IRS claims statutory tax liens against the bankruptcy estate The VCOI alludes to an
12 undisclosed contractual relationship not of record between the alleged DEBTOR, the United States and
13 the Federal Reserve banking cartel, McMeel in her proper person is not an express party thereto but
14 rescinded any presumed contracts, agreements or pledges which may have attached to her *by way of the*
15 *DEBTOR or by any other mechanism in this regard* Said rescission operates to extract the person of the
16 DEBTOR as well from any such relationship.

17 3 2 The VCOI does not expressly mention the IRS but it should have Upon information and
18 belief, the IRS interjects itself between the people and the United States *allegedly* with regards to "tax"
19 collection But that is not its true function Taxes are constitutionally authorized involuntary exactions
20 for the support of the government The United States has never demanded a tax from the Association.
21 The IRS is not collecting internal revenue, as a condition precedent the government is constitutionally
22 required to issue lawful money before any demands for tax payments can be made The IRS collects
23 interest payments which both the IRS and Congress falsely advertise as "taxes "

3 3 Upon information and belief, the United States government can only accept constitutional
1 money for a domestic tax obligation. For example, the government cannot accept German marks to pay
2 United States taxes; the foreign currency must be converted into dollars. Unfortunately there are no
3 “dollars, lawful money of the United States” in general circulation with which to convert foreign money
4 into. Since lawful money was removed from circulation people are “compensated” for their labor in non-
5 domestic negotiable instruments or bank credits, not the money of account of the United States, which is
6 not dispensed directly to them, but to the legal fiction person created by the United States. In this instant
7 case it would be the alleged DEBTOR, CAROL L ENGEL, a legal fiction. The people then, through the
8 legal fiction created by the United States, yearly transfer a percentage of this “compensation” to the IRS,
9 not the United States, believing they are extinguishing a government tax obligation. Because the
10 “payment” was made in foreign “money,” the *origin* of the money has to be obscured before it gets to the
11 United States which is why it is routed first through the legal fiction, then through the IRS. The function
12 of the IRS is to “launder” the payment by internally processing and transforming it from a “tax” (**form**)
13 into a “gift” (**substance**). The United States then accepts the transfer from the IRS as a “gift”
14 (**substance**) not a “tax” (**form**). The IRS is not the only “money launderer” involved in this process.
15 Another layer of protection is provided by Congress in order to further obscure the origin and character of
16 the property transferred via a statutory scheme that operates to buffer the United States whenever a “tax
17 payment” hits its accounts. Thanks to Congress the United States can accept the transfer of “**Federal**
18 **income, estate, and gift taxes as a gift or bequest to or for the use of the United States;**” substance
19 over form. The executive branch can then point to a statute and state with full authority and a straight
20 face that they did not receive contraband, they received a gift. This racketeering operation allows the
21 United States to avoid the pitfalls of a) directly receiving a tax payment denominated in unconstitutional
22 private Federal Reserve notes or bank credits, and b) demanding the constitutionally impossible from the
23 people when it was the United States that repudiated a constitutional obligation that created the

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impossibility in the first place **AUTHORITY:** See Internal Revenue Manual 6209 All forms W-2, W-4 and 1099 are tax class 5 forms, Subtitle B - Gift and Estate Taxes, not Subtitle A – Income Taxes. See 31 U.S.C. § 321(d)(2) “For purposes of the Federal income, estate, and gift taxes, property accepted under paragraph (1) **shall be considered as a gift or bequest to or for the use of the United States;**” 15 U.S.C. § 1523 “For the purpose of Federal income, estate, and gift taxes, property accepted under section 1522 of this title **shall be considered as a gift or bequest to or for the use of the United States;**” Title 26 Subtitle A Income Taxes 26 U.S.C. § 170(c) “**Charitable contribution defined** For purposes of this section, the term “charitable contribution” means a contribution or gift to or for the use of— (1) A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes ”

3 4 The Constitution authorizes the national government to issue lawful money into circulation and the people are required to pay taxes directly to the government to support its operations; it is also authorized to borrow Money, not private credit Upon information and belief there is no express constitutional authority for the government to exchange the public credit for private credit, label the exchange “money, foist it upon the people and tax them on the result of the unconstitutional exchange. The act of borrowing from the Federal Reserve alters the capacity of the United States. When the United States “enters the markets of the world and becomes a borrower, she lays aside her sovereignty and takes upon herself the position of an individual, and is bound accordingly.” *Antoni v Greenhow*, 107 U.S. 769, 795 (1882) (Field J., dissenting), Accord, *Hall v Wisconsin*, 103 U.S. 5, 11 (1880), as a commercial trader engaged in transactions involving negotiable instruments sovereign capacity is also set aside by the United States (*Clearfield Trust Co v US*, 318 U.S. 363 (1943)). In propriety capacity, the United States is not constitutionally authorized to demand taxes from the people This legal incapacity is another reason why third parties are involved in laundering the ill gotten gains. This allows the United States to

1 allege clean hands since it did not make the demand for an unconstitutional "tax payment." However, in
2 spite of statutes claiming the IRS is a "governmental unit" there is a flip side to this designation; all
3 governmental units inherit the same legal incapacity as the United States heretofore described, said
4 incapacity having other ramifications which are outside the scope of this claim which shouldn't take a
5 genius to figure out. That might be a problem for the IRS if in fact *what* they were collecting was actually
6 *internal revenue (form)* instead of *compelled gifts (substance)* Upon these facts it is reasonable to
7 conclude that the "statutory tax liens" (form) lodged against the bankruptcy estate are in fact "gift-
8 *bequest liens*" (substance), substance over form. **Should any person dispute this conclusion, that**
9 **person shall appear in court and show cause which section of the Constitution compels McMeel to**
10 **donate a portion of her property to any other person every single year.**

11
12 3 5 Upon information and belief since Congress has seen fit to enact a statutory scheme to
13 legalize unconstitutional acts, why does the IRS need internal procedures that instruct agents to process
14 the "taxes" as "gifts or bequests?" For the same nefarious reason Congress passed the above *conversion*
15 *statutes* It is for the express protection of each individual middleman who can, if needed, point to an
16 official procedure as a defense and declare that he or she did not process a government tax, but merely
17 followed procedure and processed a gift or bequest from a citizen for the **use of** the United States

18
19 3 6 Upon information and belief the actual use the United States makes of these "gifts or
20 bequests" (form) is to make contractual "interest payments" (substance) on loans received from the
21 Federal Reserve, and also on public debt The people, therefore, are unknowingly transferring their
22 property in the form of negotiable instruments and bank credits by way of the LEGAL FICTION,
23 presumably attached to them commercially (CAROL L ENGEN), to the IRS and ultimately to the Federal
24 Reserve stockholders with whom the people have no contract, but who require interest payments from the
25 United States having put the United States into involuntary bankruptcy for non-payment The **true**
26 **function and purpose of the IRS**, and a reason why IRS employees' true names are never revealed, is

1 that they are an agent for the principal creditor, the Federal Reserve, *acting in capacity as a receiver in*
2 *bankruptcy*

3 "Grace Commission IP0281G" January 12, 1984, The Grace Commission, Congressional
4 Research Service – The Library of Congress, found that **100 percent of all income taxes**
5 **collected are absorbed solely on interest on the Federal debt** and by Federal
6 Government contributions to transfer payments.

7 "I want to show you where the people are being imposed upon section 16 of the Federal
8 Reserve Act provides that whenever the Government of the United States issues and
9 delivers . Federal Reserve notes, which are based on the credit of the Nation--they
10 represent a mortgage upon your home and my home, and upon all the property of all the
11 people of the Nation--**to the Federal Reserve agent, an interest charge shall be**
12 **collected for the Government**" Congressional Record, Congressman Wright Patman,
13 March 13, 1933.

14 Therefore, the so-called "*statutory tax liens*" (**form**) claimed by the IRS against the bankruptcy estate are
15 in fact "*interest liens*" (**substance**), substance over form.

16 3 7 The "Federal Reserve agent" referred to above is the IRS, Congress and anybody else who
17 aids and abets this unconstitutional extraction of property from the American people. In order to conceal
18 these facts from the public, who would likely cease and desist from sending in any more "gifts" if they
19 learned the truth, Title 26 has intentionally been made huge and incomprehensible by the average person.

20 "The Internal Revenue Code requires employers to **withhold income taxes** from their
21 employees' wages For this purpose, **wages** are defined by section 3401(a) of the Internal
22 Revenue Code as "all **remuneration** . for services performed by an employee for
23 his employer" *In re Amoskeag Bank Shares, Inc* , 239 B.R. 653 (1998)

24 "Wages" as "remuneration" which is defined as a **reward** or recompense (Bouvier's Law Dictionary,
25 1914), is not money for services rendered A reward is "the **offer of recompense** given by authority of
26 law for the performance of **some act for the public good**, which, when the act has been performed, is to
27 be paid The recompense actually so paid **its acceptance and performance create a valid contract .**"

28 *Bouvier's Law Dictionary*, 1914 Title 26 reveals that these "taxes" are really "charitable contributions"
for the **use** of the United States if and only if the contribution is made exclusively for "**public purposes.**"

Employers offer their laborers "rewards" in the form of private Federal Reserve notes or bank credits

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1 *instead of money* because that is all Congress has made publicly available When a laborer accepts the
2 offer, he becomes entrapped into **“performance of some act for the public good”** which **“creates a**
3 **valid contract ”** What is the “act for the public good” under contract the laborer agrees to perform when
4 he accepts the offer? He or she unknowingly “agrees” to

- 5 a). Be a surety for the United States by sending a portion of the reward (**interest payment**) to the
6 receiver in bankruptcy once each year, and
7 b) Allow the principal creditor to siphon off a portion of his or her reward before he or she ever
8 receives it (**inflation**), and
9 c). Act as surety by pledging legal title to his goods and chattels (**collateral and liens**) to the
10 principal creditor as security for the loans incurred by a third party, the United States.

11 IV. THE “SPECIAL PURPOSE” OF THE ASSOCIATION.

12 4 1 Therefore, upon information and belief and all of the above, the DEBTOR was created by
13 the United States to act as a surety for her debts and to hold legal title in trust to property presumably
14 pledged as collateral for her loans, thereby infringing on McMeel’s secured right to hold full title to
15 property in *her given name*. Since only McMeel has earning power and the ability to create property but
16 having never been directly paid for her labor, the DEBTOR was created to act as a conduit or mechanism
17 by which a portion of McMeel’s earning power as “wages” (**form**) would be captured (prize) and
18 transformed into “interest payments” (**substance**) by the receiver in bankruptcy to eventually hand off to
19 the principal creditor. **Should any person dispute this claim, that person shall appear in Court and**
20 **show cause which section of the Constitution compels McMeel to waive her secured right to**
21 **extinguish debt and hold full title to her goods and chattels.**

23 4 2 This arrangement is patently unconstitutional and is grounds for damages and equitable relief
24 due to the misrepresentations and coercion involved. As a direct result thereof, property was obtained
25 from McMeel under false and deceptive pretenses which led to a reduction in the value of the estate and
26 deprivation of property rights McMeel’s constitutionally secured right to extinguish debt and hold full
27

1 title to property has been specially infringed upon by this “legalized” racketeering operation. Not only
2 was the value of the estate reduced thereby but it is being held in receivership by the principal creditor.
3 Because the Association paid debts for the United States which it was not primarily liable for it is an
4 involuntary surety That makes each member of the Association a co-surety Sureties have many rights,
5 including the right of subrogation in equity which can be enforced in a court of equity

6 V. THE RIGHTS OF SURETIES.

7 5.1 On and for the record, neither McMeel nor the DEBTOR knowingly volunteered to be a
8 surety for the debts of the United States or for any other person **If any person disputes this fact, they**
9 **shall appear in Court and show cause with a contract or agreement containing McMeel’s hand**
10 **written signature evidencing the purported suretyship arrangement**

11 5.2 Having discharged liability of the principal debtor United States via “federal income taxes”
12 they were not primarily liable for McMeel and the DEBTOR are pre-petition co-sureties. *See Annex-2*
13 which is a schedule of the amounts claimed In addition, the Association is a pre-petition surety for all
14 IRS tax lien bonds, King County property tax assessment bonds, the US District Court Case no 2-18-cv-
15 00712-RSM; and post-petition surety for US Bankruptcy Court no 18-12259-TWD and no 18-01152-
16 TWD McMeel suspects there are other financial instruments the Association was used as surety for
17 which requires orders from the Court to discover

18 5.3 Sureties have many rights which McMeel claims against principal debtor United States for
19 having satisfied its obligation or any part of it, such as, right to give notice, right of exoneration, right of
20 subrogation, right of indemnity, right to get securities and right to ask for reimbursement. McMeel gave
21 pre-petition notice and demand in 2011 to United States for reimbursement of the unintended “gifts” plus
22 interest, which was ignored Pursuant to the right of indemnity, McMeel becomes an implied indemnity
23 holder and can demand the court make United States answerable for all her sufferings She can also
24 demand the United States turn over all securities given to the principal creditor and any others which used
25
26
27

her as a surety. As the rightful owner to these securities, she claims the right of inspection which cannot be denied. And finally, a surety who has paid or satisfied the United State's debt or obligation, is entitled to be subrogated to and have the benefit of all securities which may at any time have been put into the creditor's hands by the principal debtor, or that the creditor may have obtained from the principal debtor. By the fact of payment, McMeel becomes an equitable assignee of all such securities, and is entitled to have them assigned and delivered up to her by the creditor, in order that she may enforce them for her own reimbursement and exoneration. If therefore, the creditor refuses to surrender up securities, the surety may maintain an equitable suit to compel their assignment and surrender. McMeel claims the right of subrogation in equity which means that the Federal Reserve cannot, without her assent which she does not give, surrender, give up, release, or discharge any such securities, or render them in any way unavailable to McMeel, either by its own acts or omissions. If it does so, CAROL L ENGEN'S liability is thereby discharged, wholly or partially, as the case may be. McMeel noticed the Federal Reserve in 2010 of the false presumption she agreed to act as surety for the United States and demanded reimbursement, receiving no response thereto. Because the principal debtor refused to reimburse McMeel upon request, she has the right to request the principal creditor bring suit to recover the amount due which she did in August 2019, A D , receiving no response thereto. *See Annex-3.* Refusal to bring suit by the principal creditor results in exoneration of the surety who is no longer bound for any debts of the principal debtor. **The Court is on notice that McMeel and her co-surety CAROL L ENGEN claim exoneration of any and all claims by any United States governmental unit due to neglect of the principal creditor, the Federal Reserve**

5 4 By alleging false capacity of *creditor* in relation to the alleged *debtor* CAROL L ENGEN and, by "association" McMeel, wrongdoers United States, the IRS and King County are engaged in a program of fraud and deceit in an attempt to separate McMeel from her rightful property and raid the estate, an abuse of the bankruptcy process which the Court is commercially and equitably bound to

1 prevent Claim 1-2 evidences extortion on the part of Nam Han, a Federal Reserve agent, an attempt to
2 coerce McMeel into engaging with her as a co-conspirator by passing contraband to satisfy her claim; or,
3 in other words, "If you agree to shred the Constitution, I won't take your property "

4 VI. MANDATORY JUDICIAL NOTICE AND OFFER OF PROOF.

5 6 I The Court shall take judicial notice of the following documents and instruments annexed
6 to this Proof of Claim and placed on the Record as an Offer of Proof relevant to and in support of
7 McMeel's claims as follows

8
9 **ANNEX-1.** UCC1 Financing Statement (non-ucc filing) securing a claim (lien) against the
10 DEBTOR's estate held in trust, *See* McMeel's Verified Claim of Interest (VCOI). McMeel, as
11 the only one who provided Value via labor and credit (earning power) to the estate and purchased
12 rights to all securities held thereby as an involuntary surety, claims a pre and post-petition
perfected security interest in said property above and beyond any other claimant **The DEBTOR,**
a legal fiction, can only hold title by characteristic; McMeel, a private citizen, holds titles by
nature and a title by nature extinguishes a title by characteristic in a court of equity.

13 **ANNEX-2** Schedule of unintended gift transfers from the Association to the United States
14 couched as "federal income taxes" tabulated for reimbursement, including interest charges for
15 lost opportunities Amount claimed: \$206,162.00 principal gift amount; 12 % compound interest
\$5,529 143 95, total \$5,735,305 90

16 **ANNEX-3** Copy of letter to Federal Reserve requesting they initiate suit against the United
17 States to collect amounts due for reimbursement and declaration of Sam K Eck as third party
mail receiver

18 **ANNEX-4** Evidence the Association was used as surety to bond IRS tax liens, King County
19 property tax assessments and associated court cases.

20 VII. DEMANDS.

21 7 I The right of subrogation in equity claimed by McMeel and the DEBTOR operates to
22 substitute the Association for the principle creditor, the Federal Reserve, in relation to the principal debtor
23 United States Upon this equitable substitution, the Association succeeds to the rights of the principal
24 creditor That means the United States and all her governmental units, including all United States courts,
25 are *debtors* in relation to the Association. Once again, thanks to Congress, CAROL L ENGEN has been
26 intentionally mischaracterized in bankruptcy Furthermore, if the principal creditor is holding the estate
27

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1 in receivership as security for the principal debtor's loans (**substance**) then the statutory scheme enacted
2 by (debtor) Congress which states that the (debtor) Court has constructive possession of the (creditor)
3 DEBTOR's estate in bankruptcy (**form**) is in error and operates as unlawful conversion. The Court shall
4 not make any attempt to dismiss this bankruptcy in order to escape its duties and responsibilities until all
5 matters have been fully resolved with regards this claim

6 7 2 Upon all of the above McMeel demands the Court order all bonds referred to in **Annex-4** be
7 brought forward and put into evidence for inspection This is McMeel's right since she and the DEBTOR
8 were used as sureties thereto, and also that she may enforce them for her and the DEBTOR's own
9 reimbursement and exoneration.

10 7 2 McMeel reserves the right to submit other demands to the Court including a demand for a
11 full accounting of all collateral and liens held by the principal creditor in the name of the DEBTOR.
12

13 //


14 //

15 //

16 //

17 I hereby declare and certify under penalty of perjury under the laws of the United States of America that
18 the foregoing is true and correct 28 U.S.C. § 1746(1)

19 DATED this 16th day of October, 2019 A.D., at the city of Bellevue, in the county of King, the
20 Washington Republic

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22 
23 L.S. Carol Lynn McMeel, In Full Life,
24 All Rights Reserved

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CERTIFICATE OF SERVICE

I, Carol Lynn McMeel, hereby certify that on the 16th day of October, 2019 A.D I personally deposited in the mailbox of the United States Post Office located at 15731 NE 8th Street, Bellevue, Washington 98008 via first class mail pre-paid postage this "CROSS-CLAIM (Docket No. 72) SUPPLEMENT: PROOF OF CLAIM" addressed to the following persons

Administrative Office of the United States Courts
One Columbus Circle, NE
Washington, D.C. 20544

Yen Jeannette Tran
Trial Attorney, Tax Division
United States Dept of Justice
P O Box 683
Washington, D C 20044

Laurie Thornton
Assistant US Trustee
Office of the United States Trustee
700 Stewart St #5103
Seattle, WA 98101

Jason Wilson-Aguilar
Chapter 13 Trustee
600 University St #1300
Seattle, WA 98101


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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A NAME & PHONE OF CONTACT AT FILER (optional) Carol McMeel 4255770677
B E-MAIL CONTACT AT FILER (optional)
C SEND ACKNOWLEDGMENT TO (Name and Address) n/a 16423 ne 15th st Bellevue WA USA 98008

Date of Filing : 09/30/2019
Time of Filing : 11:22:00 AM
File Number : 2019-273-7583-1
Lapse Date : NONE

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 DEBTOR'S NAME Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a ORGANIZATION'S NAME CAROL L ENGEN				
OR				
1b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c MAILING ADDRESS 401 Federal Street				
CITY DOVER	STATE DE	POSTAL CODE 19901	COUNTRY USA	

2 DEBTOR'S NAME Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a ORGANIZATION'S NAME				
OR				
2b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c MAILING ADDRESS				
CITY	STATE	POSTAL CODE	COUNTRY	

3 SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY) Provide only one Secured Party name (3a or 3b)

3a ORGANIZATION'S NAME				
OR				
3b INDIVIDUAL'S SURNAME McMeel	FIRST PERSONAL NAME Carol	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c MAILING ADDRESS 16423 ne 15th st				
CITY Bellevue	STATE WA	POSTAL CODE 98008	COUNTRY USA	

4 COLLATERAL This financing statement covers the following collateral:

Perfected security interest in all goods and chattels, tangible or intangible, held by the Debtor, whether recorded or unrecorded, including securities, accessions and notes.

(Reference: King County records Nos. 20190617000766; 20190718000248)

ANNEX - 1

5 Check <u>only</u> if applicable and check <u>only</u> one box. Collateral is <input checked="" type="checkbox"/> held in a Trust (see UCC1Ad, item 17 and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative				
6a Check <u>only</u> if applicable and check <u>only</u> one box				
<input type="checkbox"/> Public-Finance Transaction	<input type="checkbox"/> Manufactured-Home Transaction	<input checked="" type="checkbox"/> A Debtor is a Transmitting Utility	<input type="checkbox"/> Agricultural Lien <input checked="" type="checkbox"/> Non-UCC Filing	
7 ALTERNATIVE DESIGNATION (if applicable) <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input checked="" type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor				
8 OPTIONAL FILER REFERENCE DATA				

CLAIM FOR REIMBURSEMENT OF COMPELLED INTEREST PAYMENTS

TAX PERIOD	1040 "TAX" COMPELLED INTEREST PAYMENT ¹	12 % INTEREST ²	NO. OF YEARS	TOTAL DUE FOR TAX PERIOD				
1968	\$55.00	\$15,895.12	51	\$15,950.12				
1969	\$105.00	\$30,345.23	50	\$30,450.23				
1970	\$182.00	\$46,962.86	49	\$47,144.86				
1971	\$75.00	\$17,279.31	48	\$17,354.31				
1973	\$64.00	\$11,754.63	46	\$11,818.63				
1974	\$228.00	\$37,389.17	45	\$37,617.17				
1975	\$165.00	\$24,158.89	44	\$24,323.89				
1976	\$498.00	\$65,103.50	43	\$65,601.50				
1977	\$64.00	\$7,470.28	42	\$7,534.28				
1978	\$1,368.00	\$142,568.97	41	\$143,936.97				
1979	\$3,356.00	\$312,279.06	40	\$315,635.06				
1980	\$4,000.00	\$332,324.89	39	\$336,324.89				
1981	\$3,000.00	\$222,538.99	38	\$225,538.99				
1982	\$4,000.00	\$264,927.37	37	\$268,927.37				
1983	\$4,000.00	\$236,542.30	36	\$240,542.30				
1984	\$2,578.00	\$136,117.42	35	\$138,695.42				
1985	\$7,468.00	\$352,060.32	34	\$359,528.32				
1986	\$8,153.00	\$343,172.27	33	\$351,325.27				
1987	\$9,630.00	\$361,912.02	32	\$371,542.02				
1988	\$8,194.00	\$274,950.59	31	\$283,144.59				
1989	\$9,368.00	\$280,664.55	30	\$290,032.55				
1990	\$8,549.00	\$228,685.16	29	\$237,234.16				
1991	\$11,649.00	\$278,223.16	28	\$289,872.16				
1992	\$12,475.00	\$266,027.89	27	\$278,502.89				
1993	\$7,214.00	\$137,355.08	26	\$144,569.08				

ANNEX - 2 (1)

CLAIM FOR REIMBURSEMENT OF COMPELLED INTEREST PAYMENTS

TAX PERIOD	1040 "TAX" COMPELLED INTEREST PAYMENT ¹	12 % INTEREST ²	NO. OF YEARS	TOTAL DUE FOR TAX PERIOD				
1994	\$12,114.00	\$205,938.78	25	\$218,052.78				
1995	\$7,250.00	\$110,045.06	24	\$117,295.06				
1996	\$9,291.00	\$125,914.86	23	\$135,205.86				
1997	\$10,099.00	\$122,201.03	22	\$132,300.03				
1998	\$13,545.00	\$146,338.12	21	\$159,883.12				
1999	\$8,120.00	\$78,327.90	20	\$86,447.90				
2000	\$14,195.00	\$122,258.15	19	\$136,453.15				
2001	\$24,353.00	\$187,273.74	18	\$211,626.74				
2002	\$400.00	\$2,746.42	17	\$3,146.42				
2007	\$357.00	\$1,390.86	12	\$1,747.86				
TOTAL	\$206,162.00	5,529,143.95		\$5,735,305.90				
¹ Best estimate in some cases								
² State of Washington RCW 19.52.020 12% max interest rate per annum								

ANNEX-2 (2)

DATE August 14, 2019

MEMORANDUM OF RECORD

Carol Lynn Engen
c/o Law Offices of Sam Eck
40 Lake Bellevue - Suite 100
Bellevue, Washington 98005

To: Board of Governors of the Federal Reserve System Cert. Mail 7011 3500 0000 7633 1122
20th Street and Constitution Ave NW
Washington, DC 20551

cc: William P Barr, Attorney General
U S. Department of Justice
950 Pennsylvania Ave, NW
Washington, D C 20530-0001

Steven T. Mnuchin
Secretary of the Treasury
1500 Pennsylvania Ave , NW
Washington, D C 20220

Wilbur L. Ross Jr.
Secretary of Commerce
1401 Constitution Ave , NW
Washington, D.C 20230

att Verified Claim of Interest; Diagram

NOTICE AND REQUEST TO INITIATE SUIT AGAINST UNITED STATES

Greetings Federal Reserve Board of Governors

I doubt if you remember me since it has been eight years since I lodged a claim against the Federal Reserve Board of Governors (April 2010) I was premature in approaching you because I was not aware of all the ramifications of the relationships involved. Technically, as I understand it now, I was required to bring the claim for reimbursement directly against the United States first. This I did the following year, 2011, the final notice sent out in November The United States did not respond to my claim It is a fact I have been compelled against my will to act as surety for the debts of United States in relation to you, the principal creditor When I brought this to your attention, you also ignored me Now that my claim has properly been presented to the United States and subsequently refused, in capacity of surety who has paid the debts of the United States for decades, I am requesting you, as principal creditor, sue United States forthwith to recover what they owe me Sureties have the right to reimbursement

The impetus for this request started in May of 2018 as a result of the United States, in the person of the IRS, suing my co-surety CAROL L ENGEN in a US District Court to collect delinquent "taxes" and "penalties" by foreclosing on my home. I subsequently transferred the matter to the bankruptcy unit of the district court via a Chapter 13 petition and obtained a stay in the district court That is where the matter is at today

Since the United States conducts its affairs strictly using negotiable instruments borrowed from you, it has lost the sovereign capacity to collect internal revenue taxes (Clearfield Doctrine) That is why Congress in various

NOTICE OF REQUEST FOR SUIT

Page 1 of 2

ANNEX-3 (1)

and sundry statutes provides that all alleged federal income, estate and gift "taxes" transferred to the United States are accepted by the United States as *gifts or bequests*, not involuntary contributions due a sovereign for the support of the government. Congress and the Secretary of the Treasury have informed me that my credit and assets (hypothecations) provide the collateral for the loans you provide to the United States. All of my tax payments provide the contributions or interest payments the United States owes you on the loans. See my attached Verified Claim of Interest which is notice that I did not volunteer to be a surety for these debts. As an involuntary surety I have the right to reimbursement and, in the absence of that, exoneration. That is where you come in. Furthermore, as a subrogee, who under compulsion and not being primarily liable has discharged debts of the United States, I am substituted in your place as the principal creditor. By paying these debts, I have purchased the same rights you have against the United States. By succeeding to your rights to collect the debt, I am entitled to all the collateral and liens which you are holding as security.

Congress has provided a mechanism for sureties to claim offset against any governmental unit that waives sovereign immunity upon filing of a proof of claim in bankruptcy. In order to claim the offset, I need a full accounting of the collateral and liens you hold on my behalf as your assignee against this governmental unit. Pursuant to my rights as a subrogee, I request you provide me at once with a full accounting of all the collateral and liens which you hold as security resulting from *my* contributions, transfers, hypothecation and pledges in capacity as surety for the loans you provided to the United States.

I understand that good faith is required between the debtor (US) and creditor (Fed Res) and sureties (me). Both of you have acted in bad faith with regards to me. You can rectify that by assuming your responsibilities and duties to me, the one who has unknowingly pledged all her credit and assets to back the loans, by suing the United States at once on my behalf. If you refuse to sue the United States to recover what they owe me I will consider myself no longer bound as surety and the alleged debt claimed by the United States will be discharged. Since it has been *eight years* since you received my original claim, I think it is reasonable that you bring suit against the United States within ten days of receipt of this request. Please notify me within that time frame as to your intentions. If I do not receive a response from you within that time frame, I will assume you are refusing both my request to initiate suit against the United States and provide with me the accounting of the collateral and liens. I will then notify the Court of your refusal to comply and move for exoneration.

Sincerely,



ps In order to make a point in the bankruptcy case I was forced to cross claim against the co-surety "debtor" CAROL L. ENGEN by using the name my parents gave me, Carol Lynn McMeel, in order to separate myself from the legal fiction(s) created by STATE OF WASHINGTON (birth certificate) and UNITED STATES (social security) used to deceive me into this suretyship.

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August 19, 2019 at 8:51 am

Delivered

WASHINGTON, DC 20551

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ANNEX-3 (3)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re

NO 18-12259

CAROL ENGEN

DECLARATION OF SAM K ECK

Debtor

COMES NOW Sam K Eck, under penalty of perjury of the laws of the State of Washington, and state and declare as follows:

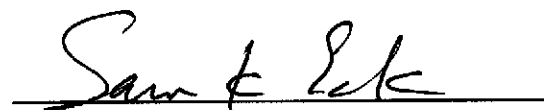
1. That I am an attorney licensed to practice law in the State of Washington, that I have represented Carol Engen in unrelated matters in the past.

3. That Carol Engen asked if she could use my office as the mailing address for a return receipt attached to a certified letter that she was planning to send to the Federal Reserve. She wanted to use me as an impartial third party in the matter.

4. That I received the green return receipt from the US Post Office in the mail. A copy of the receipt is attached hereto and incorporated herein as though fully set forth.

6. That I have not received any response to the letter from the Federal Reserve or any other third party concerning the matter set forth in the letter.

DATED THIS 7th day of October, 2019, at Bellevue, Washington.


Sam K Eck

ANNEX-3 (4)

SAM K ECK
ATTORNEY AT LAW
40 Lake Bellevue Drive, Suite 100
Bellevue, WA 98005-2480
(425) 827-6621

EXHIBIT A

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3 Also complete item 4 if Restricted Delivery is desired</p> <p>■ Print your name and address on the reverse so that we can return the card to you</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>Wm. D. Ball</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1 Article Addressed to</p> <p>BOARD OF GOVERNORS FEDERAL RESERVE SYSTEM 2000 St. and CONSTITUTION AVE. N.W. WASHINGTON, D.C. 20551</p>		<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery 8-20-19</p>	
<p>2 Article Number (Transfer from service label) 7011 3500 0000 7633 1122</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No</p> <p>NOTICE AND REQUEST TO INITIATE SUIT AGAINST UNITED STATES</p>	
<p>PS Form 3811, February 2004</p>		<p>Domestic Return Receipt</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3 Also complete item 4 if Restricted Delivery is desired</p> <p>■ Print your name and address on the reverse so that we can return the card to you</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits</p>		<p>A. Signature X <i>Wm. D. Ball</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1 Article Addressed to</p> <p>BOARD OF GOVERNORS FEDERAL RESERVE SYSTEM 2000 St. and CONSTITUTION AVE. N.W. WASHINGTON, D.C. 20551</p>		<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery 8-20-19</p>	
<p>2 Article Number (Transfer from service label) 7011 3500 0000 7633 1122</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below. <input type="checkbox"/> No</p> <p>NOTICE AND REQUEST TO INITIATE SUIT AGAINST UNITED STATES</p>	
<p>PS Form 3811, February 2004</p>		<p>Domestic Return Receipt</p>	

ANNEX-3 (S)

SAM K ECK
ATTORNEY AT LAW
40 Lake Bellevue Drive, Suite 100
Bellevue, WA 98005-2480
(425) 827-6621